

D.T.E. 01-71B

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY TO MASSACHUSETTS ELECTRIC
COMPANY AND NANTUCKET ELECTRIC COMPANY

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Massachusetts Electric Company and Nantucket Electric Company (together, the "Companies") the following Information Requests:

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Companies in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Companies receive or generate additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.

4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Department so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department and on all parties. Submit four (4) copies of the responses to Jeanne L. Voveris, Senior Counsel, and one copy of the responses to: Paul Osborne, Assistant Director, Rates and Revenue Requirements Division; Glenn Shippee, Rates and Revenue Requirements Division; Owen Cahillane, Rates and Revenue Requirements Division; and Esat Guney, Electric Power Division.

Requests

"Original Plan" refers to the service quality plan approved in D.T.E. 99-47 (December 14, 2001 Filing, Attachment 17)

"Settlement" refers to service quality plan filed with the settlement agreement on October 29, 2001

"Revised Compliance Plan" refers to the service quality plan filed on December 11, 2001, in compliance with the Guidelines contained in D.T.E. 99-84 (December 14, 2001 Filing, Attachments 11 and 13)

"Alternative Proposal" refers to the service quality plan filed by the Companies on December 14, 2001 (December 14, 2001 Filing, Attachments 2 and 4)

- DTE 1-1 Refer to December 14, 2001 Filing, Att. 1 at 17-18. Is the Alternative Proposal (December 14, 2001 filing, Book 1, Att. 2) intended to replace the October 29, 2001 Settlement? If not, please discuss where in the December 14, 2001 Filing “further support” is provided for the Settlement.
- DTE 1-2 Refer to December 14, 2001 Filing, Att 1 at 24, lines 2-4. Is the Companies’ proposal to accept the Revised Compliance Plan for application in 2001 contingent upon the Department’s acceptance of the Alternative Proposal for application in 2002 and thereafter?
- DTE 1-3 For the period May, 2000 through December 31, 2000, for each Company, please provide the total penalties or incentives that result from the application of (1) the Original Plan, (2) the Settlement, (3) the Revised Compliance Plan, and (4) the Alternative Proposal. Provide all supporting workpapers, calculations, assumptions, etc.
- DTE 1-4 For the period January 1, 2001 through December 31, 2001, please provide the total penalties or incentives that result from application of (1) the Original Plan, (2) the Settlement, (3) the Revised Compliance Plan, and (4) the Alternative Proposal. Provide all supporting workpapers, calculations, assumptions, etc.
- DTE 1-5 Refer to December 14, 2001 Filing, Att. 2 at 42 and Att 4 at 80. Please describe in detail how the Companies propose to calculate their average distribution rates. Using the method proposed in the Companies’ Alternative Proposal, please provide the Companies’ average distribution rates for the last ten years. Provide all supporting workpapers, calculations, assumptions, etc.
- DTE 1-6 Refer to December 14, 2001 Filing, Att 2 at 42 and Att 4 at 80. Please describe in detail how the Companies propose to obtain the average distribution rates for other Massachusetts electric distribution companies. Will all electric distribution companies in Massachusetts be included in the proposed weighted average? If not, which companies will be included in the average and which will not?
- DTE 1-7 Refer to December 14, 2001 Filing, Att. 1 at 25, lines 14-17. Please provide the calculation method for the state-wide weighted average distribution rate. How does it differ from a non-weighted average? Provide the state-wide weighted average distribution rate and the state-wide non-weighted average distribution rate for the last ten years. Provide all supporting workpapers, calculations, assumptions, etc.

- DTE 1-8 Refer to December 14, 2001 Filing Letter at 4, and Att. 2 at 43. Would the doubling of penalties for SAIDI and SAIFI pursuant to the Alternative Proposal affect the allocation of penalties for other SQ measures? In the event that SAIDI and SAIFI penalties were doubled, discuss the way in which the remaining SQ penalty allocations would be determined pursuant to the Alternative Proposal (*i.e.*, would the Companies seek to lower the remaining penalty allocations to maintain the statutory two percent penalty limit provided for in G.L. c. 164, § 1E(c)).
- DTE 1-9 Refer to the December 14, 2001 Filing, Atts. 15 and 16. Please provide actual data for each performance measure for November and December 2001. Please recalculate the application of the Revised Compliance Plan for 2001 using actual data for the entire year. Provide all supporting workpapers, calculations, assumptions, etc.
- DTE 1-10 For the period January 1, 2002 through December 31, 2002, assume hypothetically that the result for each SQ performance measure is 25 percent poorer than that projected by the Companies for 2001. Please provide the total penalties or incentives that would result from the application of (1) the Original Plan, (2) the Settlement, (3) the Revised Compliance Plan, and (4) the Alternative Proposal. Provide all supporting workpapers, calculations, assumptions, etc.
- DTE 1-11 For the period January 1, 2002 through December 31, 2002, assume hypothetically that the result for each SQ performance measure is 25 percent better than that projected by the Companies for 2001. Please provide the total penalties or incentives that would result from the application of (1) the Original Plan, (2) the Settlement, (3) the Revised Compliance Plan, and (4) the Alternative Proposal. Provide all supporting workpapers, calculations, assumptions, etc.
- DTE 1-12 For the period January 1, 2002 through December 31, 2002, assume hypothetically that the result for each SQ performance measure is the same as projected by the Companies for 2001. Please provide the total penalties or incentives that would result from result from the application of (1) the Original Plan, (2) the Settlement, (3) the Revised Compliance Plan, and (4) the Alternative Proposal. Provide all supporting workpapers, calculations, assumptions, etc.

- DTE 1-13 Refer to December 14, 2001 Filing, Att. 1 at 12, lines 7-10 and lines 17-21. Please discuss how the feature of the Companies' rate plans in D.T.E. 99-47 capping distribution rates at 90 percent of the average rates of other Northeastern electric distribution companies will effect the application of the Companies' Alternative Proposal (December 14, 2001 Filing, Att. 2). Specifically, will the rate cap result in a predisposition for awarding incentives to the Companies?
- DTE 1-14 Refer to December 14, 2001 Filing Letter at 4. Do the Companies recommend any particular mechanism to provide the \$2,696,004 credit to customers? If so, please describe in detail.
- DTE 1-15 Pursuant to the Revised Compliance Plan, the Alternative Proposal and the Settlement, if applicable, please discuss in detail how the Companies propose to return any assessed penalties to ratepayers.
- DTE 1-16 Pursuant to the Alternative Proposal and the Settlement, if applicable, please discuss in detail how the Companies propose to collect any assessed incentives from ratepayers.
- DTE 1-17 Refer to December 14, 2001 Filing, Att 1 at 25, lines 6-9. Please discuss the exact nature of any exogenous costs the Companies could seek to recover through rates.
- DTE 1-18 Refer to December 14, 2001 Filing, Att. 15 at 71 and Att. 16 at 79. Please explain why for 2001, penalties are projected for SAIDI but not for SAIFI.
- DTE 1-19 Refer to December 14, 2001 Filing, Att. 15 at 71. Please discuss why a penalty is projected for 2001 for Lost Time Accident Rate.
- DTE 1-20 Refer to December 14, 2001 Filing, Att. 6 at 111. Does the average and standard deviation shown reflect the 2001 estimated data point? If not, please explain the source of the average and standard deviation data.
- DTE 1-21 Refer to December 14, 2001 Filing, Att. 1 at 25, lines 17-19. Please provide an illustrative numerical example showing how the historical benchmarks for each performance measure will be updated each year under the Companies' Alternative Proposal.

- DTE 1-22 Refer to December 14, 2001 Filing, Att 1 at 13, lines 10-13. The Companies note that the Original Plan approved in D.T.E. 99-47 provides for a “cashing out” of the plan balances in 2009. In addition, the Original Plan provides “if accumulated incentives exceed penalties by more than \$20 million, the excess over \$20 million shall be recovered from Customers” (December 14, 2001 Filing, Att 17 at 88). In view of this, please discuss why the Companies propose to offset the \$6.34 million of projected penalties for 2001 under the Revised Compliance Plan with the \$3.68 million in incentives under the Original Plan.
- DTE 1-23 Refer to December 14, 2001 Filing Letter at 4. Please describe in greater detail the proposed 2004 program review contemplated by the Companies.
- DTE 1-24 Refer to December 14, 2001 Filing, Att 10 at 160, lines 18-19. Should the reference be to calendar year 2000 reliability, losses and safety performance results instead of 2001? Please provide all workpapers, calculations, assumptions, etc. used to derive the \$550,000 incentive earned by the Companies?
- DTE 1-25 Refer to MECo’s December 14, 2001 Filing Letter at 6. Attachment 8 refers to “the SQ plan from the merger settlement,” while Attachment 17 contains “the Original SQ Plan from the Rate Plan Settlement.” Please confirm that Attachment 8 contains the Companies’ reported results for the year 2000 under the plan contained in Attachment 17.
- DTE 1-26 Refer to MECo’s December 14, 2001 Filing, Atts. 3 and 5, at sec. X, Submitting Outage and Other Safety Performance Measure Reports to the Department. Please discuss why this section been deleted in the Alternative Proposals.